



February, 2005

Dear Valued Customer:

Several years ago, the Postal Service, in cooperation with all authorized postage meter manufacturers, began a multi-phased plan to proactively manage replacement of metering technology to protect against revenue loss and encourage innovative, cost-effective solutions for customers. Billions of dollars in postage revenue flow through postage meters annually, attesting to the value of these products to both the Postal Service and our customers. Both customer convenience opportunities and revenue risks become associated with the evolution of metering technology. The Postal Service has worked with the meter manufacturers and distributors to ensure a reasonable and responsible migration to enhanced metering technology.

The meter migration plan is aimed at transitioning the installed base of meters from specific technology demonstrated to be susceptible to revenue fraud, to technology offering enhanced security. The migration plan also targets metering technology that imposes operations costs that may be avoided with newer alternative technology.

Phase I accomplished the retirement of all mechanical meters and Phase II required the retirement of all manually reset meters (meters that must be reset manually by a Postal Service employee). Phases III/IV, currently underway, aim to retire meters that use letterpress technology to print indicia and migrate the installed base to digital printing technology. Digital technology provides valuable comprehensive mailing solutions for customers and necessary counterfeit protection against revenue loss for the Postal Service. Specific retirement dates associated with the phases have been established in order to minimize impact to customers and ensure the availability of effective replacement technology.

The deadline for use of Phase III postage meters is December 31, 2006. After that date, your meter will no longer be authorized for use as a postage-evidencing device. These meters must be returned to the manufacturer no later than 30 business days after its usage deadline.

If you have any questions as to whether your meter is a Phase III or IV please contact your meter manufacturer. For more information regarding this "Plan for Secure Meter Technology", visit our website at www.usps.com/postagesolutions/flash.htm

We at the United States Postal Service continually strive for cost-saving opportunities, so that we can offer the best solutions for our customers at affordable prices. We value your business and look forward to a long relationship.

Sincerely,

A handwritten signature in cursive script that reads "Wayne A. Wilkerson".

Wayne A. Wilkerson, Manager
Postage Technology Management